

AGENDA DATE: 6/7/00



STATE OF NEW JERSEY  
Board of Public Utilities  
Two Gateway Center  
Newark, NJ 07102

**IN THE MATTER OF THE ESTABLISHMENT )  
OF A UNIVERSAL SERVICE FUND PURSUANT )  
TO SECTION 12 OF THE ELECTRIC DISCOUNT )  
AND ENERGY COMPETITION ACT OF 1999 )**

**ENERGY**  
Order Establishing  
Procedural Schedule and  
Issues to be Addressed  
Dkt. No. EX00020091

(Service List Attached)

BY THE BOARD:

At its public meeting on February 28, 2000, the Board initiated this proceeding to establish a Universal Service Fund ("USF") pursuant to Section 12 b. of the Electric Discount and Energy Competition Act ("EDECA"), N.J.S.A. 48:3-49 et seq. As directed by the Board, by letter dated February 29, 2000, the Board's Acting Secretary advised a preliminary list of potentially interested parties of the USF issues the EDECA requires the Board to address, as indicated below, and additionally convened a meeting of the parties, held on March 9, 2000, to discuss these issues, identify potential additional areas of discussion and to develop a procedural schedule. A second meeting held for essentially the same purpose as well as to distribute material describing existing New Jersey programs having objectives similar to the USF was held on March 27, 2000. By letter dated May 11, 2000, Board Staff distributed additional background material prepared by representatives of the participating utilities, State agencies and New Jersey Citizen Action to an expanded list of interested parties. Included in this material was a summary and description of USF programs in place nationwide

At these meetings two competing views as to how the USF proceeding should be conducted emerged, namely, as a "fully-litigated" proceeding requiring evidentiary hearings and the filing of briefs, or alternatively, using the collaborative "working group" approach the Board has previously employed in meeting several other mandates set for it by the EDECA. In view of the participation of other State agencies and non-profit groups that may have limited legal resources and experience with administrative proceedings before the Board, we believe a less formal approach, yet one that still provides for the filing of initial and reply comments, the issuance of discovery and the holding of Public/Legislative hearings at which testimony can be filed, is warranted. Accordingly, we HEREBY ADOPT the attached procedural schedule and again direct the responding parties to address the issues noted below. With the benefit of the discussion and the material distributed at the March meetings, the responses should contain concrete and specific details for implementing any proposed USF, as well as a reasonable estimate

of its administrative and other costs. In recognition of the fact that it may not be feasible to work out all of the administrative details of the USF by the start of this year's heating season (October), the parties should submit proposals for an interim implementation to be effective by the start of the upcoming heating season. Parties should also submit additional proposals to be considered for final implementation in a second phase, to become effective no later than the start of next year's heating season. As set forth in the EDECA (Section 12 b., copy attached), and while not precluding the ability of commenting parties to advance other proposals or address other issues, the parties' comments should address the following:

1. the level and funding and appropriate administration of the Fund;
2. the purposes and programs to be funded;
3. which social programs shall be provided by an electric utility as part of the provision of its regulated services which provide a public benefit;
4. whether the funds appropriated to fund the "Lifeline Credit Program," the "Tenants' Lifeline Assistance Program," the funds received pursuant to the "Low Income Home Energy Assistance Program (LIHEAP)," and funds collected by the electric and natural gas utilities to off-set uncollectible bills, should be deposited in the Fund; and
5. whether new charges should be imposed to fund new or expanded social programs.

DATED: June 7, 2000

BOARD OF PUBLIC UTILITIES  
BY:

//SIGNED//

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PRESIDENT

//SIGNED//

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CARMEN J. ARMENTI  
COMMISSIONER

//SIGNED//

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FREDERICK F. BUTLER  
COMMISSIONER

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ATTEST: \_\_\_\_\_  
EDWARD D. BESLOW  
ACTING SECRETARY

I/M/O the Establishment of a Universal Service Fund  
Pursuant to Section 12 of the Electric Discount and Energy Competition Act

Docket No. EX00020091

**Procedural Schedule**

Mon. June 26	Parties file initial comments setting forth Universal Service Fund proposals, for both interim implementation prior to this year's heating season (October, 2000), as well as for permanent implementation no later than next year's heating season.
Mon. July 10	Initial discovery due
Mon. July 24	Discovery responses due.
Mon. July 31 – Fri. Aug. 18	Public/Legislative hearings, exact dates to follow.
Mon. Aug. 28	Final comments due.
Mon. Sept. 11	Reply comments due.
Wed. Sept. 27	Board Order approving, as a minimum, interim implementation.

**Section 12 b., Electric Discount and Energy Competition Act  
(P.L. 1999, c. 23 , N.J.S.A. 48:3-49 et seq.)**

There is established in the Board of Public Utilities a nonlapsing fund to be known as the “Universal Service Fund.” The board shall determine: the level of funding and the appropriate administration of the fund; the purposes and programs to be funded with monies from the fund; which social programs shall be provided by an electric public utility as part of the provision of its regulated services which provide a public benefit; whether the funds appropriated to fund the “Lifeline Credit Program” established pursuant to P.L. 1979, c.197 (C.48:2-29.15 et seq.), the “Tenants Lifeline Assistance Program” established pursuant to P.L. 1981, c.210 (C.48:2-29.31 et seq.), the funds received pursuant to the Low Income Home Energy Assistance Program established pursuant to 42 U.S.C. s. 8621 et seq., and funds collected by electric and natural gas utilities, as authorized by the board, to offset uncollectible electricity and natural gas bills should be deposited in the fund; and whether new charges should be imposed to fund new or expanded social programs.

I/M/O the Establishment of a Universal Service Fund Pursuant to Section 12  
Of the Electric Discount and Energy Competition Act  
Docket No. EX 00020091

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